REMARKS/ARGUMENTS

Status of the Claims

Claims 1-23 are pending in the instant application. Claims 1-23 were substantively examined and rejected as being allegedly obvious over the combination of various references.

The Applicant respectfully traverse the rejection under 35 U.S.C. §103(a), asserting that a proper *prima facie* case of obviousness had not been set forth.

The Invention

Applicant claims a method for procuring energy efficient equipment and deploying this equipment at multiple end user's sites. The sites are audited for the presence of equipment replaceable by energy efficient equipment and the equipment is procured and deployed without the end user paying a fee. The saved energy at the multiple sites is measured by the implementing entity and the saved energy is sold to the end users by the implementing entity. The cost of the energy sold is less than the cost of acquiring the energy from an energy generating entity.

The inventors have recognized that the claimed method offers hitherto unrecognized advantages. For example, the claimed method is practiced by aggregating the procurement energy efficient equipment, and the costs thereof across multiple sites. Aggregating the procurement of the equipment allows the implementing agency to achieve efficiency in pricing of the equipment that would not be available were the equipment procured for an individual site or serially for multiple individual sites. A similar efficiency accrues from aggregation of the costs of equipment deployment, measurement of energy saved and resale of saved energy.

As set forth below, none of the cited references, either alone or in combination disclose or suggest the method described above.

Response to Claim Rejections Under 35 U.S.C. §103

Over Yablonowski in view of "American Consumer Hunts for an Acquisition Target" ("*Document*")

Claims 1-12 and 16-21 are rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over Yablonowski, *et al.* (US 6,535,859; "Yablonowski")) in view of Hickman, *et al.* (US 6,105,000; "Hickman").

The Examiner characterizes Yablonowski as teaching a method and system for maintaining lighting systems and for monitoring energy consumption of the lighting systems. ~~As it relates to claims 1-2, 4-5 and 18-21, the Examiner characterizes the method as in~~cluding auditing, procuring, deploying and measuring steps. ~~The auditing step identifies equip~~ment that ~~can be replaced with more energy efficient~~ equipment, ~~resulting in energy savings.~~ The implementing entity procures the energy efficient equipment, which is deployed at the end user site. The implementing entity then measures the energy saved at the end user's site using a method agreed upon by the end user and the implementing entity.

The Examiner admits that Yablonowski does not specifically teach selling the saved energy back to the end user at a price that is discounted relative to the price that it could be purchased from an energy generating company. Applicants discussed this and other ~~the~~ deficiencies of the teachings of Yablonowski at length in their response to the previous Action.

To remedy the deficiency in Yablonowski, the Examiner relies on *Document*, characterizing it as teaching "estimating by implementing entity of energy saved after installing energy efficient equipment, and selling saved energy back to end users at a guaranteed discount." The Examiner refers specifically to page 29, lines 23-32 and 56-58; and page 31, lines 40-46.

The disclosure at page 29 states:

> A 30-kw packaged cogeneration unit...save a Jack-in-the-Box fast food restaurant here at least 15-percent in electric costs, 30-percent in gas costs and 20-percent in maintenance costs...American Solar King Corp...will install all the

> equipment at no cost and will sell power back to the user at a rate guaranteed to be 15-percent below the local utility rate.

The disclosure at lines 56-58 merely reiterates that the cogeneration units are installed with "no capital outlay" on the part of Jack-in-the-Box. The disclosure at page 31 states that "lighting retrofits and the Enercon systems have paid for themselves in under two years."

As explained below, *Document* describes the deployment of energy generating equipment at no cost to an end user. The energy ***generated*** by the equipment is sold back to the consumer at a discount. *Document* does not describe selling back to the consumer energy ***saved*** by deployment of energy efficient equipment.

A Proper Prima Facie Case of Obviousness Has Not Been Set Forth

Over Yablonowski in view of *Document*

As the Examiner is aware, to construct a *prima facie* case of obviousness, the Examiner must meet several criteria. First, there must be some suggestion or motivation, whether in the references themselves or in the knowledge generally available to one of skill in the art to modify the reference or combine the reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references) must teach or suggest all of the claim limitations. *See*, MPEP §2142. Moreover, to avoid the pitfall of hindsight, the Examiner must "identify specifically...the reasons one of ordinary skill in the art would have been motivated to select the references and combine them," *In re Rouffet* 47 USPQ2d 1453, 1459 (Fed. Cir. 1998). Applicant respectfully submits, that each of the required criteria has not been met. As each of the required criteria has not been met, a proper *prima facie* case of obviousness over the cited references has not been set forth.

The Examiner acknowledges that Yablonowski neither discloses nor suggests selling back to the consumer at a discount energy saved by the installation and use of energy efficient equipment.

Moreover, Yablonowski focuses on the deployment of energy efficient lighting equipment at an individual site, or at multiple isolated individual sites. The reference is silent with regard to aggregating the procurement and deployment of energy saving equipment, and the costs and advantages thereof, across multiple sites. Thus, the reference can not be interpreted as suggesting the cost advantages and other economic efficiencies of aggregation that are a notable advantage of the Applicant's invention.

Moreover, in marked contrast to the method of Yablonowski, Applicant's invention, as presently claimed, ***requires that the end user is not charged a fee***. Claim 1, explicitly recites:

> (c) deploying by said implementing entity of an energy saving replacement for at least one said candidate for replacement with said energy efficient equipment ***at no cost to said end user.***

Applicant's claim element of deploying the energy efficient equipment with levying a fee on the end user is neither disclosed nor suggested by the Yablonowski reference.

The Examiner relies on *Document* to supply the element of selling excess power at a discount, concluding that it would have been obvious to modify Yablonowski to include selling the saved energy to the end user at a discount because it would stimulate end users to replace old equipment with more energy efficient equipment. The Applicant respectfully disagrees with the Examiner's characterization of *Document* and its application to the instant invention.

As discussed above, *Document* discloses the installation of a cogeneration unit at no cost to the customer and selling the energy ***produced*** by the cogeneration unit, ***not the energy saved*** by the cogeneration unit, back to the consumer at a cost lower than that obtainable from a utility.

As set forth in Exhibit 1 attached hereto:

> Cogeneration systems are modified internal combustion engines that use natural gas as a fuel source to enable

For the rejection over Yablonowski in view of Document to be proper, Document would have to teach

facilities to produce their own electricity and hot water on site.

Thus, a cogeneration unit is an energy generating device. *Document* discloses installing a cogeneration unit and ***selling the power generated*** by the unit to the consumer at a discount. ~~*Document* does not disclose~~ replacing an inefficient cogeneration unit with an energy efficient cogeneration unit and ***power saved*** by the installation of more efficient equipment back to the consumer for a discount. Accordingly, as the combination of Yablonowski and *Document* cannot be said to suggest the applicants' invention, Applicants respectfully request the withdrawal of the rejection under 35 U.S.C. §103(a) of claims 1-12 and 16-21 over Yablonowski in combination with *Document*.

selling the power saved

Document does not teach this.

Over Yablonowski in view of *Document* and Adams et al.

Claims 13 and 14 are rejected under 35 U.S.C. §103(a) as being allegedly obvious over Yablonowski in view of Document and further in view of Adams. Claims 13 and 14 are directed to a method of the invention according to claim 1 that further includes the element of financing the acquisition of the energy efficient equipment.

As discussed above, Yablonoswki and *Document* fail to disclose or suggest a method for procuring and installing energy efficient equipment at no cost to the consumer and selling energy saved by use of the energy efficient equipment to the consumer at a discount.

Even if Adams et al. discloses financing various transactions, this disclosure does not remedy the deficiencies of the combination of Yablonowski and *Document* discussed above. Accordingly, a proper *prima facie* case of obviousness of claims 13 and 14 has not been set forth, and Applicants request the withdrawal of the rejection of these claims under 35 U.S.C. §103(a).

Over Yablonowski in view of *Document* and King

Claim 15 is rejected under 35 U.S.C. §103(a) as being allegedly obvious over Yablonowski in view of Document and further in view of King. Claim 15 is directed to a method of the invention according to claim 1 that further includes the element of financing the

acquisition of the energy efficient equipment using an adjustable loan system with a tax exempt, floating rate.

As discussed above, Yablonoswki and *Document* fail to disclose or suggest a method for procuring and installing energy efficient equipment at no cost to the consumer and selling energy saved by use of the energy efficient equipment to the consumer at a discount.

Even if King discloses using an adjustable loan system with a tax exempt, floating rate, this disclosure does not remedy the deficiencies of the combination of Yablonowski and *Document* discussed above. Accordingly, a proper *prima facie* case of obviousness of claim15 has not been set forth, and Applicants request the withdrawal of the rejection of these claims under 35 U.S.C. §103(a).

Over Yablonowski in view of *Document* and Wallman

Claim 22 is rejected under 35 U.S.C. §103(a) as being allegedly obvious over Yablonowski in view of Document and further in view of Wallman. Claim 22 is directed to a method of the invention according to claim 1 that further includes the element of risk apportionment between the implementing party and another party.

As discussed above, Yablonoswki and *Document* fail to disclose or suggest a method for procuring and installing energy efficient equipment at no cost to the consumer and selling energy saved by use of the energy efficient equipment to the consumer at a discount.

Even if Wallman discloses apportioning the risk of a transaction, this disclosure does not remedy the deficiencies of the combination of Yablonowski and *Document* discussed above. Accordingly, a proper *prima facie* case of obviousness of claim15 has not been set forth, and Applicants request the withdrawal of the rejection of these claims under 35 U.S.C. §103(a).

Over Yablonowski in view of *Document* and Johnson

Claim 23 is rejected under 35 U.S.C. §103(a) as being allegedly obvious over Yablonowski in view of Document and further in view of Wallman. Claim 23 is directed to a method of the invention according to claim 1 that further includes the use of rebates.

As discussed above, Yablonoswki and *Document* fail to disclose or suggest a method for procuring and installing energy efficient equipment at no cost to the consumer and selling energy saved by use of the energy efficient equipment to the consumer at a discount.

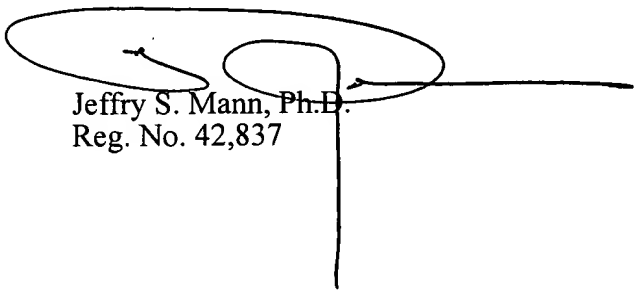
Even if Johnson discloses the use of rebates, this disclosure does not remedy the deficiencies of the combination of Yablonowski and *Document* discussed above. Accordingly, a proper *prima facie* case of obviousness of claim15 has not been set forth, and Applicants request the withdrawal of the rejection of these claims under 35 U.S.C. §103(a).

CONCLUSION

In view of the foregoing, Applicant believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,



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